

The Uniformer

MESSAGE FROM THE FTA MOTOR FUEL TAX SECTION CHAIR ROBYNN WILSON

In the last issue of the Uniformer, I discussed my vision of the future of uniformity work, namely to re-energize industry involvement and to foster uniformity. I suggested that we begin by asking questions of our industry friends: how can we, the states, do it better? And I risked suggesting that these questions be put to industry reps that do not participate in uniformity work.

I would like to take this idea one or two steps further. I would like to propose an idea for the Uniformity Co-Chairs to be the formal contact points to vent concerns from the petroleum industry regarding the uniformity status of specific states.

I believe that some of this communication has been happening informally over the years. From time to time, the Uniformity Committee Co-Chairs, or the Co-Chairs of one of its sub-committees, have contacted a state when industry has voiced concerns about that state's uniformity efforts. However, I would like to formalize this idea, and make it known to industry.

The genesis of this idea is my own experience in my state. Perhaps other states may have experienced something similar. Changing forms, or even reformatting a web-site, has its costs. In this time of state-budget cutting, it is difficult to justify an expenditure unless it has tangible

revenue, or taxpayer-relation implications. If industry does not express its concerns about our web-site, then I have a difficult time justifying the cost to change the lay-out, simply for esthetics. However, I could justify the expense if I had a record of taxpayers in the state requesting that we change our web-site to be consistent with other states.

If a state participates in Uniformity meetings, this forum would serve as a centralized point for the Co-Chairs to facilitate communication with that state. If a state has not been participating in Uniformity meetings, it would be an opportunity for the Co-Chairs to make contact with that state, to bring concerns to the table, and to offer assistance.

I believe that the Uniformity Co-Chair level is the appropriate venue for this communications, because the Co-Chairs have the broad perspective necessary for this activity. The Co-Chairs would then contact the state to discuss the issues. I believe that this would be beneficial to the states, and would encourage petroleum industry involvement in Uniformity work.

The second step for us to think about is the idea of establishing some standards. What are the benchmarks of uniformity? The Streamlined Sales Tax Agreement provides for a state being certified as "substantially compliant" with the terms of the Agreement, which was developed as a uniformity tool in the area of sales tax. Maybe we should consider a similar idea. Granted,

the fuel tax area does not carry the obvious quid pro quo that sales tax uniformity does, but it is worth considering. Can a state be a "little bit" uniform? Is uniformity a continuum? Or is it like being pregnant—either you are, or you're not. How about a Uniformity Seal of Approval?

As I said last time, let us move courageously forward.

NOTE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR PATRICIA PLATT

The January Meeting in Nashville had a very full agenda. Each committee worked hard to accomplish some of the goals assigned to them for this year. Each committee member not only works very hard at the meeting, they also take work home with them that needs to be completed before the next meeting. I would like to say thank you to each of you who are always willing to take on a task and help accomplish the goals assigned to the committees.

Bill Gray wrote a very nice article in the January News letter about "What States Do Right." If you have not seen this article I hope that you will try and get a copy and read it. I would like to say thank you Bill. Working for a state myself, it is always nice to hear that we are doing good work. The number of years that I have worked for the state of Kansas I have always enjoyed working with industry and have gained much of my knowledge by soliciting their input on what will and won't work. We do not

always agree, but in the end we both have a better understanding of the other point of view.

Uniformity takes both industry and states working together. If you know someone who is unable to attend the meetings, ask them if they have ideas to help with uniformity, or have items they would like to have addressed. Let them know we want their suggestions. Bill or I will see that any issues are distributed to the proper committee. I want everyone to know that just because they are unable to attend the meetings, their input is valuable to keep Motor Fuel Uniformity moving forward.

Thank you all for your commitment to meet the challenges we have ahead of us.

CANADIAN FUEL TAX (CFT) COUNCIL (CFTC) UPDATE CHARLES GREENOUGH

Since our last update in January, it has been an extremely exciting and interesting six months. Ken Duggan has retired, the Council has completed the first pilot of the Comprehensive Fuel Reporting (CFR) Project, and we are planning the second pilot for CFR, which is scheduled to begin in late summer or early fall of this year.

As reported in the January 2004, Ken Duggan retired April 1, 2004. A send off was held for Ken, the Saturday evening of our spring council meeting in Saskatoon, Saskatchewan. Thanks Ken, for the years of hard work and dedication.

In April, the first pilot of the CFR was completed. At that time, the pilot participants, Husky Energy, Shell Canada, Alberta Tax and Revenue Administration, and Saskatchewan Finance met and reviewed the results. I am pleased to inform you that the pilot objectives, as reported in January, were achieved, and that the model will support "total fuel accountability". The pilot also provided opportunities for improvement as we develop data and filing standards. The next steps will include the Standards Committee to be the advocate, developer, custodian, and trainer for the CFR standards. The Business Case Task Force has been assigned the task of producing the CFR business case. The CFR Standards Committee and the Business Case Task Force will both be comprised of industry and government representatives, with a minimum of two industry and four jurisdictional representatives on each. Our current plans are to expand the western pilot in the fall of this year.

The eastern pilot will see the scope of the western pilot reproduced, but expanding the participants to include the provinces of Ontario, Quebec, and New Brunswick, along with Ultramar and Suncor. We are currently negotiating with a third petroleum company to participate in the second phase.

The Council continues to work with the IRS in establishing a common fuel dye standard, with one fuel dye standard on both sides of the boarder.

The eastern provinces are co-ordinating with the northeastern states, to develop memorandum of understanding for sharing of information. This group is also looking at cross border movements of fuel by barge, rail car and tanker.

UNIFORMITY COMMITTEE

The FTA Motor Fuel Tax Section Uniformity Committee met at the Nashville Downtown Courtyard, in Nashville, Tennessee on January 24, 2004. Uniformity Chair Patricia Platt (KS) called the meeting to order. Fifty-three were in attendance.

Minutes

The minutes from the September 2003 Uniformity Committee meeting in Charlotte, North Carolina were approved as written.

SUBCOMMITTEE REPORTS

Compliance Subcommittee

Carol Player (South Carolina) reported twenty-nine (29) attended the meeting. The committee continues the discussion on the "Best Practice" Catalogue. The committee also discussed alternative fuels along with enforcement and compliance relating to convenience stores.

Electronic Commerce Subcommittee

Kathy McKee (Marathon Ashland) reported the two sessions discussed the following:

Technical**25 In attendance**

- ◆ Reviewed new EDI ExSTARS 4030
- ◆ Changes to the EDI Implementation Guide, Version 4030, September 2004
- ◆ Mississippi TIA Code Request
- ◆ North Dakota Guide Issues

Not Too Technical**34 in attendance**

- ◆ North Dakota Guide Issues
- ◆ States' Alternative Methods for Capturing Data
- ◆ EDI Guide Review Team
- ◆ Single Point of Filing
- ◆ Motor Fuel Web Site and Pages
- ◆ E Commerce Training
- ◆ E Commerce Survey
- ◆ ExSTARS Update and Demo
- ◆ County and Country Codes

The full Committee approved the following Electronic Commerce Subcommittee items:

- ◆ S05J Approved for deduction
- ◆ S05K Taxable sales total dollar amount
- ◆ S05L Taxable sales gallons multiplied by the average sales price for a defined period

Forms Management Subcommittee

Herman Wisneski (MN) reported that thirty-three (33) attended the meeting. The subcommittee discussed the following:

- ◆ Uniform Blenders Report
- ◆ Request for subschedules

Indiana request for two subschedules

Internal Revenue for two subschedules

Michigan request for one subschedule

Wyoming request for one subschedule

Georgia request for one subschedule

New Hampshire request for one subschedule

North Dakota request for three subschedules

- ◆ Product Codes request for Home Heating Fuel, Low Sulfur Dyed from the
- ◆ National Oil Heat Resource Alliance (NORA)
- ◆ Comparison of the Canadian product code to FTA product code list
- ◆ Comparison of the IRS product codes to FTA product code list
- ◆ Comparison of the PIDX product codes to FTA product code list

The full Committee approved the following Forms Management Subcommittee Subschedules items:

Subschedules

- ◆ 5V Gallons disbursed tax collected and subject to oil inspection fee
- ◆ 5X Gallons delivered and partially taxed
- ◆ 5Y Tax Paid sales to railroads

- ◆ 6V Gallons disbursed tax not collected and subject to oil inspection fee
- ◆ 13H Tax paid fuel sold to state or local government
- ◆ 14D Carrier Receipts
- ◆ 14E Carrier Deliveries

Product Codes

- ◆ 280 Marine Gas/Oil

Communication and Coordination Subcommittee

Dave Skinner reported that fourteen (14) attended the meeting. The subcommittee discussed the following and the January 2004 Uniformer was passed out. The deadline to submit articles for the next Uniformer is June 10, 2004.

- ◆ Cross Border Project was completed 5-2-03
- ◆ Monitoring the Federal Energy Bill
- ◆ Bio Diesel White Paper and Model Legislation
- ◆ Comparison of the FTA to the Canadian Definitions
- ◆ Definitions for the following:
 - Highway Vehicle
 - Two Party Exchange
 - Terminal Bulk Transfer
 - Bulk Transfer
 - Bulk Plant
 - Motor Vehicle Fuel
 - Transporter
- ◆ Review the 11-point plan
- ◆ Analysis of revenue derived from various taxation methods and compliance tools
- ◆ Report of accomplishments of the FTA Uniformity Committee

The full Committee approved the following Communication and

Coordination Subcommittee items:

Definitions - Added

- ◆ Bulk Plant
- ◆ Bulk Transfer
- ◆ Terminal Bulk Transfer
- ◆ Two-Party Exchange

Definitions - Deleted

- ◆ Delete definitions for Highway Vehicle delete from the Uniformity Booklet)

Canadian Update

Ken Duggan reported that this was his last Uniformity meeting. Ken will be retiring in April. Ken introduced Charles Greenough who will be replacing Ken. The Canadian Council has been working on the Comprehensive Fuel Reporting and they have started a pilot project that will concentrate on the fuel coming in and out of the terminals and inter jurisdictional movement. The Provinces of Alberta and Saskatchewan along with Shell Oil are in this pilot project. They will be looking at all the information for three months. The project has adopted all the data elements of FTA. After this three-month period, the pilot project will be expanded to the Provinces of Quebec and Ontario along with Sunco. At this time, the Council is asking the carrier to report only movement between jurisdictions or States. The Canadian Council is continuing to work with the IRS on a fuel dying standard. We all will miss Ken and wish him the best in his retirement.

IRS Update

Rich Little with the IRS gave an update on the ExSTARS project.

The IRS has approved the new EDI Guide for the website and have finalized the 4030 map. The IRS is proposing legislation to mandate EDI filing, approve two party exchanges and expanding ExSTARS reporting into other areas.

Old/New Business

Cindy mentioned that all information and minutes would be put out on FTA's web site. She also requested that all subcommittees have their minutes from this meeting and agendas for June be submitted to her no later than February 27.

Robynn Wilson is looking for topics for the annual meeting. If you have any topics or want to be a speaker, please let Robynn know.

UPCOMING MEETINGS AND TRAINING

June 6-8
Southern Region Meeting
Louisville, Kentucky

June 25-26
Uniformity Meeting
Cincinnati, Ohio

July 12-14
Midwestern Region Meeting
Des Moines, Iowa

August 8-11
Motor Fuel Tax Basic Training Course
Portsmouth, VA

August 22-26
Motor Fuel Tax Advance Course
Salt Lake City, UT

September 12-15

Motor Fuel Tax Investigation Training Course
Little Rock, AR

October 1-2
Uniformity Meeting
Boston (Quincy), Massachusetts

October 3-6
Motor Fuel Tax Annual meeting
Boston (Quincy), Massachusetts

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